

LETTER OF AGREEMENT - GRANT FUNDS – RESTRICTED FUNDS - UNRELATED

This Grant Agreement (this “Agreement”) made and entered the ____ **day of September, 2019** (the “Effective Date”), by and between the **Tobacco Region Revitalization Commission**, a body corporate and political subdivision of the Commonwealth of Virginia (the “Commission”), and **Dinwiddie County** (the “Grantee”) and Wilkes Telephone Membership Corporation, a North Carolina cooperative organization (“WTMC”), whose Federal Employer Identification Number is _____, RiverStreet Communications of Virginia, Inc., a Virginia corporation (“RSCVA”), whose Federal Employer Identification Number is _____, RiverStreet Management Services, LLC, a North Carolina limited liability company (“RiverStreet”), whose Federal Employer Identification Number is _____, North Carolina Wireless, LLC, a North Carolina limited liability company (“NCW”), whose Federal Employer Identification Number is _____, Gamewood Technology Group, Inc., a Virginia corporation (“GTG”), whose Federal Employer Identification Number is _____, Gamewood Telecom, Inc., a Virginia corporation, whose Federal Employer Identification Number is _____ (“GT”, which together with WTMC, RSCVA, RiverStreet, NCW, and GTG shall be referred to as the “Company”).

WITNESSETH:

WHEREAS, the Virginia General Assembly created the Commission to, among other things, stimulate the economic growth and development of tobacco-dependent communities in the Southside and Southwest regions (the “Region”) of the Commonwealth of Virginia (the “Commonwealth”), and

WHEREAS, the Grantee has submitted an application, which by this reference is incorporated herein and made a part of this Agreement (the “Application”), to the Commission for funding to acquire, construct, improve, equip, furnish and/or otherwise undertake the project entitled **Regional Broadband Initiative: Dinwiddie and Amelia Counties** described on **Exhibit A** attached hereto (the “Project”), and

WHEREAS, the Commission, in reliance upon the information set forth in the Application, has determined that the Project benefits the Region and is consistent with and in furtherance of the Commission’s public purposes and approved a grant to the Grantee in the amount of **\$1,708,090.00** (the “Grant”) on March 8, 2018 (the “Award Date”) to fund the Project, the approval and funding of such Grant the Commission has determined constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the Grant, and

WHEREAS, the Commission and the Grantee desire to set forth their understanding and agreement as to the use of the Grant and the obligations of the Grantee regarding the use of the Grant,

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby represent, warrant, covenant and agree as follows:

1. Definitions. The following capitalized terms used in this Agreement have the meanings set forth below:

“Authorized Expenditures” means the expenditures to be paid by or on behalf of, or reimbursed to, the Grantee in connection with the Grant as set forth in the Project Budget.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Regs. §1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Commission-Related Party” means a Person that is a Related Party to the Commission, the Issuer or the Commonwealth.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of this definition.

(i) The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities (the controlling entity) generally controls another entity or group of entities (the controlled entity) for purposes of this definition if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial—

(A) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or

(B) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

(ii) If a controlling entity controls a controlled entity under the test set forth in paragraph (i) of this definition, then the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities.

(iii) An entity is not a controlled entity under paragraph (i) of this definition if the entity possesses substantial taxing, eminent domain, and police powers. For example, a city possessing substantial amounts of each of these sovereign powers is not a controlled entity of the state (Commonwealth).

“501(c)(3) Organization” means any Person described in Section 501(c)(3) of the Tax Code and exempt from tax under Section 501(a) of the Tax Code.

“Governmental Person” means a state or local governmental unit as defined in Treas. Regs. § 1.103-1 or any instrumentality thereof. The federal government and its agencies and instrumentalities are not Governmental Persons.

“Issuer” means the Tobacco Settlement Financing Corporation, a public body corporate and an independent instrumentality of the Commonwealth.

“Loan” means any transaction that is generally characterized as a loan for federal income tax purposes. A Loan may arise from the direct lending of money or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed within the meaning of Treas. Regs. § 1.141-5. Certain leases, management contracts and other contractual arrangements and certain prepayments for property or services may constitute Loans under Treas. Regs. § 1.141-5.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership, or any other entity (including a governmental entity).

“Related Person” shall have the meaning set forth in Section 144(a)(3) of the Tax Code. For purposes of Section 144(a)(3) of the Tax Code, a Person is a Related Person to another Person if—

(A) the relationship between such Persons would result in a disallowance of losses under Section 267 or 707(b) of the Tax Code, or

(B) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Tax Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“Tax Code” means the Internal Revenue Code of 1986, as amended, and the applicable provisions of the regulations of the U.S. Department of Treasury promulgated thereunder.

“Tobacco Bonds” means the Tobacco Settlement Asset-Backed Bonds, Series 2005, which were issued by the Issuer on May 16, 2005, and have a stated final maturity date of June 1, 2037, and the Tobacco Settlement Asset-Backed Bonds, Series 2007 B, C, and D which were issued by the Issuer on May 3, 2007, and have a stated final maturity date of June 1, 2047.

“Working Capital Expenditure” means any cost that is not a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

2. Source of Grant Funds; Reliance. The Grantee represents that it understands that the Grant funds are derived from the proceeds of the Tobacco Bonds, the interest on which must remain excludible from gross income for federal income tax purposes (that is, “tax-exempt”) pursuant to both (i) Virginia law and (ii) contractual covenants made by the Commission, the Issuer and the Commonwealth for the benefit of the owners of the Tobacco Bonds. The Grantee further represents that (a) the undersigned authorized representative of the Grantee has been informed of the purpose and scope of Sections 103 and 141-150 of the Tax Code as they relate to the Tobacco Bonds and the Grant, and (b) the representations and warranties contained in this Section and throughout this Agreement can be relied on by the Commission, the Issuer and bond counsel for

the Commission and Issuer in executing certain documents and rendering certain opinions in connection with the Tobacco Bonds.

3. Nature of Grantee. The Grantee represents that it is neither a Commission-Related Party nor an agent of the Issuer, the Commission or the Commonwealth. A true, correct and complete copy of the Grantee's charter, articles of incorporation or similar governing instrument is attached hereto as **Exhibit D** and is in full force and effect on the date hereof. If the Grantee is a 501(c)(3) Organization, a copy of its IRS determination letter shall also be attached as part of **Exhibit D** hereto. The Grantee will not make any changes to its governing documents or structure, funding or operations during the term of the Tobacco Bonds that would or may cause the Grantee to become a Commission-Related Party or an agent of the Issuer, the Commission or the Commonwealth.

4. Project and Budget; Nature of Authorized Expenditures. The Grantee agrees to use the Grant for that portion of the Project not being paid from other sources as set forth in the budget for the Project attached hereto as **Exhibit B** (the "Project Budget"). No portion of the Grant shall be used by the Grantee for any purpose whatsoever other than to pay or to reimburse Authorized Expenditures with respect to the Project without the prior written approval of the Executive Director of the Commission (the "Executive Director"). No material changes shall be made in the scope of the Project or to the Project Budget without the prior written approval of the Executive Director. Any document signed by the Executive Director accepting a change in the scope of the Project or to the Project Budget shall set forth with specificity the accepted change. If the maximum authorized amount of the Grant exceeds the amount necessary to complete the Project, the excess shall not be disbursed to the Grantee but shall remain with the Commission or, if previously disbursed, be returned to the Commission within thirty (30) days of the earlier of the completion of the Project or the expiration of this Agreement.

The Grantee represents, warrants and covenants as follows:

(a) All Authorized Expenditures will be Capital Expenditures. No Authorized Expenditure will be a Working Capital Expenditure.

(b) Other than as described in Sections 12 and 13 below, the Grant does not impose on the Grantee any obligation or condition to directly or indirectly repay any amount (in cash, property or services or otherwise) to the Commission, the Issuer, the Commonwealth or any Commission-Related Party.

(c) No Authorized Expenditure will represent, nor will the Grant involve, the use by the Grantee of any portion of the Grant funds, directly or indirectly, (i) to make or finance a grant or a Loan to a Commission-Related Party or (ii) to refund, redeem or pay debt service on the debt obligations (including without limitation any tax-exempt bonds) of the Grantee or any other Person.

(d) No part of the assets to be financed by the Grant will be used by the Commission, the Issuer, the Commonwealth or other Commission-Related Party pursuant to a lease, a management or service contract, output contract, or pursuant to any other

arrangement conveying special legal entitlements for the use of such assets that is comparable to a lease, a management or service contract or an output contract, such as an arrangement conveying priority rights to the use or capacity of a Grant-financed asset.

The average reasonably expected economic life of the assets to be financed by the Grant is set forth in **Exhibit E** attached hereto.

The Grantee agrees to cause the Project to be acquired, constructed, improved, equipped, furnished and/or otherwise undertaken as described in **Exhibit A** and will cause the Project to be completed on or before the expiration of this Agreement. The Grantee represents and warrants that Grant funds and funds available (subject to future appropriations) from the other sources specified in the Project Budget, and if necessary additional appropriations (which are subject to future appropriations), will be sufficient to cause the Project to be completed.

The Grantee agrees to comply with any applicable governmental requirements pertaining to the Project and the use and application of Grant funds provided hereunder, including but not limited to, applicable requirements of the Virginia Public Procurement Act (Virginia Code Section 2.2-4300 *et seq.*, as amended) but only as and to the extent required by any such governmental requirements, and the Commission shall not in any way be responsible for determining the extent, to which any such governmental requirements apply to this Grantee.

5. Payment of Grant Funds. Subject to the terms of this Agreement, including but not limited to, satisfaction by the Grantee, in the sole discretion of the Commission, of the conditions set forth on **Exhibit C** attached hereto, the Grant shall be disbursed to the Grantee on a reimbursement basis upon submission of a signed payment request on the Commission's then current form ("Payment Request Form") with adequate supporting documentation. The Grantee agrees to comply with the Commission's General Funding Policies, Grant Disbursement Guidelines and Guidelines for Advance of Funds as adopted by the Commission as in effect from time to time and applied in the sole discretion of the Commission. Expenses incurred prior to the Award Date are not eligible for reimbursement. Prior to any disbursement, the Commission shall have on record documentation from the Grantee designating the officers, employees or agents authorized to make a reimbursement request (such documentation may be in the form of a resolution or minutes of the Grantee appointing such designee). Reimbursement requests shall be submitted not more frequently than quarterly, unless the Commission otherwise agrees. Appropriate supporting documentation shall be attached to all Payment Request Forms and may include, but is not limited to, invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project and consistent with the Project Budget. The Grantee shall also provide appropriate supporting documentation of the expenditure and application of any required matching funds for the Project as set forth on **Exhibit C** attached hereto. The Commission may in its sole discretion refuse to make a disbursement if the documentation is not adequate or if such disbursement does not appear to be within the Project Budget or otherwise contrary to or in violation of the provisions hereof. The Commission in its sole discretion may refuse to disburse any funds to the Grantee if the Grantee has previously received a grant award and a final grant report for the previous grant award has not been received by the Commission.

The Grantee may request in writing an advance of up to twenty-five percent (25%) of the Grant if the Grantee lacks sufficient funds to commence the Project. Approval of such request shall be in the sole discretion of the Commission and shall be available no earlier than ninety days (90) prior to the start of the Project. If an advance is disbursed, the Grantee may request additional disbursements only upon submission of signed Payment Request Forms with adequate documentation demonstrating the use of the advance in accordance with the provisions of this Agreement.

6. Quality of Work. The Commission, and its members, employees and agents, shall have the right to inspect the Project at reasonable times from time to time. Upon a determination that the quality of work done or the progress toward completion of the Project is unsatisfactory, the Commission may take whatever action is necessary to preserve the integrity of the Grant and its original intended purpose, including but not limited to, the actions set forth in Section 12 of this Agreement. The Project may be monitored through on-site visits by representatives of the Commission or in any other manner deemed appropriate by the Executive Director.

7. Parties' Relationship. In connection with the award or the administration of the Grant, the Commission does not and shall not assume any liability for any financial or other obligations of the Grantee made to third parties, whether or not related to the Project. The Grantee shall provide written notice to all vendors, contractors and any other party retained to work on the Project that neither the Commission nor the Commonwealth shall be liable for the Project or any payment failure or other obligation related thereto. Such written notice shall provide that by accepting work on the Project, all such vendors, contractors and other parties release and relinquish the Commission and the Commonwealth from any claim which might otherwise be asserted, and that each party accepting such work thereby indemnifies and holds the Commission, and its members, employees and agents, harmless against any and all such obligations; and further, that if any action is brought against the Commission, or its members, employees or agents, the party accepting such work shall be liable for all legal expenses and other costs related to such action. The Grantee is and will be acting as an independent contractor in the performance of the Project, and agrees to be responsible, where found liable and to the extent not covered by insurance or specified by statute, for the payment of any claim for loss, personal injury, death, property damage, or otherwise arising out of any act or omission of its members, employees or agents in connection with the performance of the Project. Nothing contained herein shall be deemed an express or implied waiver of the sovereign immunity of the Commission or the Commonwealth.

The Grantee shall at all times protect, indemnify and hold the Commission, the Issuer, the Commonwealth and the owners of the Tobacco Bonds, and their respective members, directors, officers, employees, attorneys and agents (the "Indemnitees"), harmless against any and all liability, losses, damages, costs, expenses, penalties, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any misrepresentation, breach of warranty, noncompliance or default by or on behalf of the Grantee under this Agreement, including, without limitation, all claims or liability (including all claims of and liability to the Internal Revenue Service) resulting from, arising out of or in connection with the loss of the excludability from gross income of the interest on all or any portion of the Tobacco Bonds that may be occasioned by any cause whatsoever pertaining to such misrepresentation, breach, noncompliance or default, such indemnification to include the reasonable costs and expenses of

defending any Indemnatee or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by any Indemnatee in connection therewith.

8. Recordkeeping. The Grantee shall maintain proper books of record and account with respect to the Grant and the Project in which accurate and timely entries shall be made in accordance with generally accepted accounting principles, consistently applied, during the term of this Agreement. Grant funds shall be held in a separate and segregated account (the "Fund") and the Fund shall reflect all activity of the Grant funds received for the Project, itemized by category of expenses in the same manner as in the Project Budget. The Grantee shall retain all invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project. All books of record and account and all records of receipts and expenditures with respect to the Grant and the Project and copies of Payment Request Forms with supporting documentation and annual and final reports submitted to the Commission shall be retained for at least three (3) years after the later of the completion of the Project or the expiration of this Agreement. The Commission, and its members, employees and agents, shall have the right at reasonable times from time to time to inspect and make copies of the books and records of the Grantee and the Fund.

9. Annual Reports. The Grantee shall submit to the Commission annual financial and narrative reports reflecting activity in the Fund and progress made toward completion of the Project. Annual financial reports shall be presented on the Commission's grant reporting form then in effect (the "Grant Reporting Form"). Annual narrative reports shall indicate the progress made toward achieving the goals of the Grant and shall be submitted with the Grant Reporting Form. Annual reports shall be due one year from the Award Date and annually thereafter until the Project is complete. The Commission reserves the right to request additional information to supplement the information provided in the Grant Reporting Form or the annual narrative reports, including but not limited to, the Grantee's audited financial statements.

10. Final Report. The Grantee shall provide a final financial and narrative report to the Commission upon submission of the final payment request. The final report shall contain the type of information contained in the annual reports, including a narrative as to the success of the Project and a description of the long-term achievements and expectations for the Project. The Commission may withhold disbursement of the final payment until receipt of a final report that is in all respects satisfactory to the Commission. After the completion of the Project and expiration of this Agreement, the Commission may in its sole discretion require additional reporting on the long-term achievements and expectations of the Project.

11. Interim Reports. In addition to the annual reports and final report required by Sections 9 and 10 of this Agreement, the Commission may reasonably request that the Grantee submit additional or interim information from time to time to ensure that the provisions of this Agreement are properly carried out, administered and enforced.

12. Misuse of Award; Rights of Commission. If the Commission determines that any part of the Grant has been used for a purpose other than to pay or reimburse Authorized Expenditures with respect to the Project or that the Grantee has failed to comply with any material

term or condition or obligation of the Grantee in this Agreement, including but not limited to, the Grantee making in any material respect a false or misleading statement or other written or oral representation, warranty or statement furnished or made to the Commission in this Agreement, the Application or otherwise, the Commission in its sole discretion may withhold any further disbursements to the Grantee and, in addition:

(a) rescind the Grant by written notice to the Grantee, in which event the Grantee shall be obligated to return to the Commission, within five (5) days following receipt of such notice, an amount, from legally available funds, equal to all Grant payments received pursuant to this Agreement, plus interest from the date of receipt of such notice at the prime rate set forth in the Wall Street Journal on the date of such notice;

(b) require the Grantee to take whatever action at law or in equity the Commission may direct in order to recover any Grant funds not used for the actual payment of costs related to the Project and consistent with the Project Budget, and comply with any procedures that the Commission may direct in order to prevent further improper use of the Grant;

(c) take any other action as necessary to preserve the integrity of the Grant and to preserve Grant funds for appropriate uses;

(d) determine that the Grantee is ineligible to receive future grant funding through the Commission;

(e) withhold any and all disbursements requested by the Grantee from the Commission under any other grant previously approved by the Commission; and/or

(f) take such judicial action as is necessary to collect any amounts owed, including legal action for breach of this Agreement, pursuant to this Section or as otherwise provided in this Agreement.

The Commission reserves the right to modify or withhold any disbursement of Grant funds if the Commission in its sole discretion determines that it is necessary in order to protect the purposes and objectives of the Commission and the Grant or to comply with any law or regulation applicable to the Commission, the Grant and/or the Grantee.

13. Sale or Encumbrance; Security Interest. Until the Commission has determined that the public purposes of the Grant have been satisfied, none of the assets or property acquired, constructed, improved, equipped, and/or furnished as part of the Project shall be leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered to any party other than the Company, the Counties of Dinwiddie or Amelia, the Industrial Development Authorities of Dinwiddie and Amelia, and any broadband authorities established by Dinwiddie or Amelia Counties without the prior written approval of the Executive Director. In the event that such asset or property is leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the Executive Director, the Commission may assert its interest

in the asset or property to recover the Commission's share of the value of such asset or property and/or recover from the Grantee, unless otherwise prohibited by law.

The Grantee hereby pledges, delivers and assigns to the Commission and, as its interests may be, to the Grantee, a security interest in, to and on all property purchased with the Grant, which security interest shall be held by the Commission and, as applicable, the Grantee to secure the Grantee's full performance under this Agreement. Upon the request of the Commission and, as applicable, the Grantee, the Grantee will execute, provide and sign all documents necessary to establish and/or perfect Commission's and, as applicable, the Grantee's security interest in such property, including deeds of trust, supplemental deeds of trust, amendments or modifications hereto, financing statements, continuation statements or other instruments and documents which may be reasonably required from time to time. The Commission will release its security interest upon the Grantee's full performance under this Agreement, including, without limitation, the Grantee's full compliance with all reporting requirements required herein, and once the Commission has determined that the public purposes of the Grant have been satisfied.

14. Press Releases. The Grantee agrees that it shall not issue any press releases or other public statements regarding the Grant without the prior written consent of the Commission.

15. Future Funding. The Grant provided pursuant to this Agreement shall not be deemed to be an actual or implied promise of the Commission to fund the Project except as provided for herein. No representation by the Commission, or its members, employees or agents, shall be binding unless set forth in writing and signed by the Executive Director. In addition to the other remedies provided by law or in this Agreement, if the Grantee fails to comply with the terms of this Agreement, the Project shall not be entitled to additional funding by the Commission.

16. Entire Agreement. To the extent there are inconsistencies between this Agreement and its supporting documents, including the Application and the exhibits attached hereto, this Agreement shall control. This Agreement expresses the entire understanding and all agreements between the Commission and the Grantee and may not be modified except in a writing signed by the Commission and the Grantee.

17. Governing Law; Jurisdiction; Venue. This Agreement shall be governed by the applicable laws of the Commonwealth. The venue of any judicial action shall be in the Circuit Court of the City of Richmond, Virginia, and such litigation shall only be brought in such court.

18. Limitation of Commission's Liability. Nothing herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the Commission or of an employee or agent of the Commission. No member, employee or agent of the Commission shall incur any personal liability with respect to any action taken by him or her pursuant to this Agreement.

19. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

20. Public Documents. Unless specifically exempted pursuant to the Virginia Freedom of Information Act (Virginia Code Section 2.2-3700 *et seq.*, as amended), all reports, documents, financial data and other information provided to the Commission shall be public records.

21. Notices. Unless otherwise provided for herein, all notices, approvals, consents, correspondence and other communications pursuant to this Agreement shall be in writing and shall be deemed received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee) to (a) the Commission at 701 East Franklin Street, Suite 501, Richmond, Virginia 23219, Attention: Executive Director, or (b) the Grantee at the address set forth below.

22. Conditional Funding. In the event that disbursement of Grant funds is contingent upon the happening of an event or events described in **Exhibit C** attached hereto that have not yet occurred as of the Award Date, the Commission may withdraw the Grant if such event or events have not been substantiated with appropriate documentation satisfactory to the Commission within twelve (12) months of the Award Date. This Agreement is subject to the availability of Commission funds. If such funds become unavailable and the Commission is unable to obtain sufficient funds, this Agreement shall be amended or terminated, as appropriate.

23. Expiration. Thirty-six (36) months after the Effective Date, the Grant shall be automatically rescinded with respect to all funds not yet disbursed by the Commission, unless an extension is granted in writing by the Commission. Provided that good faith efforts are made towards the completion of the Project, a one-year administrative extension shall automatically be granted by the Commission.

24. Assignment. Neither this Agreement nor any rights under this Agreement may be assigned, by operation of law or otherwise, by the Grantee without the prior written consent of the other parties hereto. The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

25. Survival. The rights and remedies available to the Commission shall survive any expiration or termination of this Agreement, including but not limited to, Sections 7, 10, 12, 13 and 25.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

TOBACCO REGION REVITALIZATION COMMISSION, a body corporate and political subdivision of the Commonwealth of Virginia

Signature of Executive Director: _____

Printed Name of Executive Director: _____ Evan Feinman _____

Date: _____

Grantee Information

Dinwiddie County

Signature of Grantee's Chief Executive: _____

Printed Name of Grantee's Chief Executive: _____

Date: _____

Address _____

Phone # _____ **e-mail** _____

Federal ID # _____

Co-Applicant

[Riverstreet Entit[y][ies]

Signature of Grantee's Chief Executive: _____

Printed Name of Grantee's Chief Executive: _____

Date: _____

Exhibit A

Description of Project

Dinwiddie County has requested this grant to establish a wireless broadband solution such that at the conclusion of the project, more than 95% of the households of each of Dinwiddie and Amelia will have access to reliable and affordable internet service. This funding would be used as generally set forth in Exhibit B.

The performance requirement of this grant shall be deemed to be achieved upon the establishment and ongoing provision by the Company by three (3) years from the Effective Date of the Tobacco Commission Grant Agreement (or in the case that an extension is granted by the Tobacco Commission by four (4) years from the Effective Date of the Tobacco Commission Grant Agreement) of high speed, reliable, affordable Internet service to 95% of the Target Census Blocks of each of the Counties which are Unserved or Underserved as of December 2017. For the purposes of this definition, high speed shall mean download speeds capable of at least 25 Mbps and upload speeds capable of at least 3 Mbps. In order for the Company to accomplish the Project Requirement, the Company must report its success in providing the aforesaid service to census blocks to the FCC. No change in FCC rules shall exempt the Company from providing download speeds of at least 25 Mbps and upload speeds of at least 3 Mbps to 95% of the Target Census Blocks of each of the Counties which are Unserved or Underserved as of December 2017.

For the purposes of this Agreement, “Target Census Blocks” shall mean the populated census blocks of the counties that are unserved or underserved as of December 2017 according to FCC Form 477 data.

If a portion of the goal is achieved, then any clawback initiated by the Commission against the Company or Grantee shall be limited pro-rata by the portion of the goal that is achieved.

Exhibit B

Project Budget

8-STATE

a. Requested TICRC Funds: Enter a Description and Budget Line Item Amounts in the blue highlighted boxes below. *Please include specific, detailed budget narrative as an additional attachment to your application.*

b. Other Funding: Enter Source Information, Status, Description and Budget Line Item Amounts in the blue highlighted boxes below. Select funding type and status from the dropdown menus in the blue highlighted boxes where indicated. *Please include specific, detailed budget narrative as an additional attachment in your application.*

Matching Funds Detail								
g Type (Select the type of matching in the dropdown list)	Local							
y/Locality Name (Enter the name the the matching funds)	Amelia County							
Select the status of the matching funds dropdown list)	Money in Hand							
ption (Enter a brief description of how ing funds will be used)	Amelia County is prepared to provide matching funds for this project in the amount of \$683,236. These funds will be derived from a combination of General Fund dollars and debt financing.							
Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
Line Item Amount (Enter the amount allocated to each budget line)	\$89,856.00	\$75,600.00	\$4,200.00		\$12,600.00	\$500,980.00		
Amount (Self Totalling)								\$683,236.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)								\$0.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a brief description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

2. Financial Information: Budgeted Expenditures

You do not need to enter any information in this section. The table below is self-calculating based on the information entered in section 1 (Financial Information: Sources of Funds). Please fill in the blue highlighted fields in section 1 to populate the table below. The amounts from the "TICRC Funds" column and the "Total Matching Funds" column should correspond to the amounts entered in the grant application.

Proposed Project Budget								
	TICRC Funds	State	Local	Federal	Private	In-Kind	Total Matching Funds	Grand Total
Personal Services (Salaries, Wages, Benefits, etc.)	\$224,640.00		\$224,640.00				\$224,640.00	\$449,280.00
Contractual Services (A&E, Legal, Printing, Media, Travel, Training, etc.)	\$189,000.00		\$189,000.00				\$189,000.00	\$378,000.00
Supplies & Materials (Engineering Supplies, Building & Mechanical Repair, Supplies, Educational Supplies, etc.)	\$10,500.00		\$10,500.00				\$10,500.00	\$21,000.00
Continuous Charges (Insurance, Lease Payments, Utilities, etc.)								
Property & Improvements (Land Acquisition, Site Development, etc.)	\$31,500.00		\$31,500.00				\$31,500.00	\$63,000.00
Equipment (Computers, Phones, Furniture, Fixtures, Manufacturing Equipment, etc.)	\$1,252,450.00		\$1,252,450.00				\$1,252,450.00	\$2,504,900.00
Plant & Improvements (Building Acquisition, Construction/Renovation, etc.)								
Transfer Payments (Scholarships, Incentives, etc.)								
Total Costs:	\$1,708,090.00		\$1,708,090.00				\$1,708,090.00	\$3,416,180.00

Exhibit C

Grant Conditions

1. No less than 50% of the total Project Budget shall be funded by non-commission sources and satisfactory evidence thereof submitted to the Commission prior to disbursement of any Commission money. Un-approved applications to other funding sources are not satisfactory evidence.

Exhibit D

Governing Documents of Grantee

Attach charter, articles of incorporation or similar governing instruments, also attach IRS determination letter if a 501(c)(3) Organization

Exhibit E

**DETERMINATION OF AVERAGE REASONABLY EXPECTED
ECONOMIC LIVES OF PROJECT ASSETS**

The Tax Code limits the length of average maturity for certain tax-exempt bonds, such as the Tobacco Bonds, to no more than 120% of the average reasonably expected economic life of the assets being financed with the proceeds of such bonds. In this Exhibit, the Grantee will determine the average reasonably expected economic life of the assets being financed by the Grant.

There are two safe harbors in determining "economic life": the ADR midpoint life under IRS Revenue Procedures 83-85 and 87-56 and the guideline life under IRS Revenue Procedure (in the case of structures). For the purposes hereof, the reasonably expected economic life of an asset is to be determined as of the date the asset is expected to be placed in service. You may wish to consult your accountant in completing this Exhibit. Commission staff can provide copies of the above-referenced Revenue Procedures.

Please complete the attached Schedule as follows:

Step 1. Please list each of the assets comprising the Project to be financed or refinanced by the Grant funds by describing them in Column I. At the minimum, the assets should be broken down as "Land," "Land Improvements," "Building," and "Equipment." In Column II, indicate whether each asset will be acquired, constructed, installed, renovated, etc.

Step 2. In Column III, set forth the corresponding total cost of each asset to be paid with Grant funds. Any amounts shown on the Project Budget as "Contingency" should be assigned to the shortest-lived asset.

Step 3. In Column IV, set forth the date each asset is expected to be placed in service. An asset is first placed in service when it is first placed in a condition or state of readiness and availability for a specifically assigned function.

Step 4. In Column V, set forth in years the ADR midpoint life or the guideline life of each asset listed in Column I, in accordance with the following:

Land. If any portion of the Grant funds will be used to finance land, Commission staff should be consulted to determine the economic life to be assigned. In most cases, Commission staff will direct you to assign the land an economic life of 0 and to exclude the land from the economic life calculation.

If land improved with one or more existing buildings will be acquired, please allocate the purchase price between the land and buildings and furnish the Commission with a copy of a recent appraisal of the relative value of the land and buildings to support your allocation.

Buildings. A guideline life must be determined under Revenue Procedure 62-21 for any building to be financed with the Grant. Forty years is the guideline life for most buildings. Based on the nature of the particular building, your accountant or Commission staff will assist you in determining whether another guideline life is more appropriate. Each building includes the structural shell of the building and all integral parts thereof, equipment which services normal

heating, plumbing, air conditioning, fire prevention and power requirements, and equipment such as elevators and escalators.

Equipment. Please select a ADR midpoint life for each item of equipment to be financed. The tables of asset guideline classes, asset guideline periods and asset depreciation ranges included in Revenue Procedures 83-35 and 87-56 is used for reference.

To use the table, you should first determine the asset guideline class in which each item of equipment falls. General business assets fall into classes 00.11 through 00.4 to the extent that a separate class is provided for them. Other assets, to the extent that a separate class is provided, fit into one or more of classes 01.1 through 80.0. Subsidiary assets (jigs, dies, molds, patterns, etc.) are in the same class as are the other major assets in an industry activity unless the subsidiary assets are classified separately for that industry. Each item of equipment should be classified according to the activity in which it is primarily used. If the equipment is not described in any asset guideline class, its estimated economic life must be determined on a case by case basis.

Working Capital. Working Capital Expenditures are ineligible for Grant funding.

Step 5. In Column VI, adjust the ADR midpoint or guideline life for each asset by adding the amount of time (in years) between May 16, 2005 (the closing date of the Tobacco Bonds) and the in-service date specified in Column IV. For example, if a building with a guideline life of 40 years will be placed in service one year and six months after May 16, 2005, the adjusted economic life for such building in Column VI should be 41.5

Step 6. In Column VII, show with respect to each asset the product of the respective entry in Column III multiplied by the respective entry in Column VI.

Step 7. Total all of entries in Column III and Column VII.

Step 8. Divide the Column VII Total by the Column III Total. The quotient is the average reasonably expected economic life of the assets to be financed with Grant funds as part of the Project.

INFORMATION SCHEDULE
 REASONABLY EXPECTED ECONOMIC LIVES
OF PROJECT FACILITIES

	COLUMN I	COLUMN II	COLUMN III	COLUMN IV	COLUMN V	COLUMN VI	COLUMN VII
	DESCRIPTION OF ASSETS INCLUDED IN THE PROJECT	ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION, ETC.	TOTAL COST TO BE FINANCED BY GRANT	IN SERVICE DATE	GUIDELINE OR ADR MIDPOINT LIFE	ADJUSTED ECONOMIC LIFE	COLUMN III X COLUMN VI
1	Land Improvements	Constructed	445,140	1/31/21	25	40.5	11,128,500
2	Equipment	Installed	1,262,950	1/31/21	10	25.5	32,205,225
3							
4							
5							
6							
			Total: \$1,708,090				Total: \$43,333,725

AVERAGE REASONABLY EXPECTED ECONOMIC LIFE:

COLUMN VII TOTAL \$43,333,725 ÷ COLUMN III TOTAL: \$1,708,090 = 25.4 YEARS